

**OFFICE OF THE MISSISSIPPI SECRETARY OF STATE
BUSINESS REGULATION AND ENFORCEMENT DIVISION**

In The Matter Of:

**Greentree Investment Advisors, Inc.; and
Stephen Handley Holley
1830 Crane Ridge Drive
Jackson, Mississippi 39216**

RESPONDENTS.

**Administrative Hearing
Number: S-04-0359**

CONSENT AGREEMENT

I.

This agreement is hereby entered into between the State of Mississippi, Secretary of State's Office, Business Regulation and Enforcement Division (hereinafter "Division"), by and through James O. Nelson, II, Assistant Secretary of State, and Greentree Investment Advisors, Inc., (hereinafter "Greentree"), by and through its agent Stephen Handley Holley (hereinafter "Holley"), and Holley individually.

The Division, having the power to administer and to provide for the enforcement of all provisions of the Mississippi Securities Act (hereinafter "Act"), and Respondents do hereby enter into this Consent Agreement in resolution of the following allegations by the Division of violations of certain provisions of the Act. The parties to this Consent Agreement hereby set forth the following facts.

1. Greentree is a Mississippi corporation. Holley is the registered agent for Greentree and has registered his address for service of process purposes with the Secretary of State as 1380 Crane Ridge Drive, Jackson, Mississippi 39216. According to

both the Central Records Depository (hereinafter "CRD") and the Division's records, Greentree is registered as an investment adviser in the State of Mississippi.

2. Holley is a natural person and a resident of Mississippi. Holley is the registered agent for Greentree and has registered his address with the Secretary of State as 1380 Crane Ridge Drive, Jackson, Mississippi 39216. According to both the CRD and the Division's records, Holley is registered as an investment adviser representative in the State of Mississippi and is in the employ of Greentree. Holley is listed as the president of Greentree on documents filed with the Secretary of State and has been in the employ of Greentree since its inception on March 17, 2002.

3. Rule 611(E)(5)(b) of the Rules requires that the Division be notified within thirty (30) days whenever the information contained in any application or amendment for registration as an investment adviser or representative changes in a material way or is or becomes inaccurate or incomplete in any respect. Events requiring notification include the naming of an investment adviser, principal, officer, and/or employee as a defendant or respondent in any proceeding in which an adverse decision could result in the imposition of a fine or other penalty.

4. On October 24, 2003, the National Association of Securities Dealers (hereinafter "NASD") initiated regulatory action against Holley. The NASD alleged that Holley failed to disclose to the NASD political contributions totaling eleven thousand three hundred fifty dollars (\$11,350.00) as required by his firm's written supervisory procedures.

5. On July 21, 2004, the NASD and Holley settled the matter agreeing that Holley would pay a fine in the amount of ten thousand dollars (\$10,00.00) and be

suspended from association with any NASD member in any capacity for thirty one (31) days. The suspension commenced on September 7, 2004, and concluded on October 7, 2004.

6. The Uniform Application for Investment Adviser Registration (hereinafter "Form ADV") for Greentree was last amended on February 4, 2003. The Form ADV does not contain the NASD action or the July 24, 2004, agreement entered into between Holley and the NASD.

7. Because Holley is an employee and president of Greentree and was named as a defendant or respondent in an NASD proceeding in which an adverse decision could result in the imposition of a fine or other penalty, Rule 611(E)(5)(b) requires Respondents to notify the Division within thirty (30) days of these changes in information. Up to the execution of this Consent Agreement, Respondents have neither notified the Division of the NASD action, nor the agreement Holley entered into with that self regulatory organization.

8. Respondents violated Rule 611(E)(5)(b) of the Mississippi Securities Act Rules by failing to notify the Division of the NASD action and the agreement Holley entered into with that self regulatory organization.

9. At all times relevant herein, it was and continues to be the intent of the Respondents to comply with the requirements of the Act, and, to that end, to cooperate with the Secretary of State.

10. It is the intent of all the parties hereto to reach an expeditious and appropriate resolution to this matter.

11. Based upon the representations and information obtained by the Division's

independent investigation, the Division has determined not to proceed to a hearing as to the Respondents.

NOW, THEREFORE, it is hereby agreed as follows:

12. Respondents admit to the jurisdiction of the Division as to all matters herein.

13. The Respondents consent to the imposition and payment of two thousand dollars (\$2,000.00) to be paid upon the execution of this Consent Agreement by the Respondents. Payment must be remitted to the "Mississippi Secretary of State," and must be received by the Division within fifteen (15) days of the execution of this agreement.

14. Respondents further agree to notify the Division of the NASD action, which is described in paragraph 4 herein, and the agreement Holley entered into with that self regulatory organization, which is described in paragraph 5 herein, in accordance with Rule 611(E)(5)(b) of the Mississippi Securities Act Rules within fifteen (15) days from the execution of this agreement.

15. This Consent Agreement contains the entire understanding between and among the parties and supersedes any prior understandings and agreements among them respecting the subject matter of this Consent Agreement. Furthermore, the parties herein represent that they have read each provision, understand each provision, and agree to each provision herein.

II. Other Considerations

16. Respondents recognize, acknowledge, and stipulate that a willful failure to comply with any of the terms, conditions or obligations of this Consent Agreement will

result in Respondents being deemed to be in violation of a lawful order made pursuant to the Act and, therefore, subject to the penalties available under the Act.

17. Respondents are aware of their right to a hearing on this matter at which they may be represented by counsel, present evidence, and cross-examine witnesses. Respondents hereby irrevocably waive the right to such a hearing.

18. Respondents understand that the entry of this Consent Agreement represents the settlement of regulatory claims by the Division against the Respondents only and does not, in any way, restrict or affect the rights or causes of action, if any, of any clients who have obtained Respondents' investment advisory services.

19. It is understood and agreed that the Division retains all rights pertaining thereto. The Division specifically retains all rights to take such other and further action that it may deem necessary to take due to the discovery of additional violations of the Act by Respondents.

20. This Consent Agreement is in resolution of the matters contained in Paragraph I. Thus, any matters in Paragraph I or any violations discovered by the Division up to the signing of this agreement will not be used as a basis for action by the Division against Respondents unless (i) Respondents fail to comply with any of the terms of this Consent Agreement or (ii) the Division discovers that Respondents have not been truthful or have otherwise misled the Division in the course of this investigation.

21. In the event Respondents, their employees or agents, fail to comply with any of the agreements, stipulations or undertakings set forth herein, the Division may determine to issue a Final Order imposing an administrative penalty and/or any other

order imposing any such penalties against Respondents as the Division deems appropriate and within its lawful authority codified in the Act.

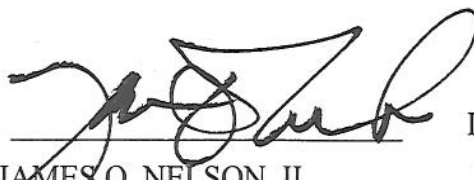
22. Respondents agree that the costs to be paid imposed herein shall be considered non-dischargeable for the purposes of any bankruptcy proceeding filed by the Respondents.

III. Acknowledgement


The parties acknowledge that they have read this Consent Agreement in its entirety and fully understand the rights, terms, and obligations of each contained therein and they have been vested with the express authority to enter into this agreement. The parties further acknowledge that they have not been threatened or otherwise coerced into entering this Consent Agreement.

The undersigned hereby acknowledge and agree to the terms and conditions of the foregoing Agreement by written consent.

ERIC CLARK
SECRETARY OF STATE

By:  Date: 2/25/2005
JAMES O. NELSON, II
Assistant Secretary of State

STEPHEN HANDLEY HOLLEY, INDIVIDUALLY AND IN HIS CAPACITY AS
PRESIDENT OF GREENTREE INVESTMENT ADVISORS, INC.

By:  Date: 3/1/2005